



Investor Update

FEBRUARY 2021

FORWARD LOOKING STATEMENTS

This presentation contains, and our officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. These statements are based on our expectations about, among others, revenues, operations, financial performance, earnings, liquidity, earnings per share, cash flows and restructuring activities including headcount reductions and other cost savings initiatives.

This document reflects Itron's/our current strategy, plans and expectations and is based on information currently available as of the date of our latest Form 10-K or Form 10-Q filed with the SEC. When we use words such as "expect," "intend," "anticipate," "believe," "plan," "goal," "seek," "project," "estimate," "future," "strategy," "objective," "may," "likely," "should," "will," "will continue," and similar expressions, including related to future periods, they are intended to identify forward-looking statements. Forward-looking statements rely on a number of assumptions and estimates. Although we believe the estimates and assumptions upon which these forward-looking statements are based are reasonable, any of these estimates or assumptions could prove to be inaccurate and the forward-looking statements based on these estimates and assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors.

Therefore, you should not rely on any of these forward-looking statements. Some of the factors that we believe could affect our results include our ability to execute on our restructuring plan, our ability to achieve estimated cost savings, the rate and timing of customer demand for our products, rescheduling of current customer orders, changes in estimated liabilities for product warranties, adverse impacts of litigation, changes in laws and regulations, our dependence on new product development and intellectual property, future acquisitions, changes in estimates for stock-based and bonus compensation, increasing volatility in foreign exchange rates, international business risks, uncertainties caused by adverse economic conditions, including, without limitation those resulting from extraordinary events or circumstances such as the COVID-19 pandemic and other factors that are more fully described in Item 1A: "Risk Factors" included in our Annual Report on Form 10-K for the year ended Dec. 31, 2020 and other reports on file with the Securities and Exchange Commission. We do not undertake any obligation to publicly update or revise any forward-looking statement, whether written or oral. These risks and uncertainties are detailed in the Company's filings with the Securities and Exchange Commission, including its most recently filed 10-K, copies of which may be accessed through the SEC's website at <http://www.sec.gov>.

The impact caused by the ongoing COVID-19 pandemic includes uncertainty as to the duration, spread, severity, and any resurgence of the COVID-19 pandemic including other factors contributing to infection rates, such as reinfection or mutation of the virus, the effectiveness or widespread availability and application of any vaccine, the duration and scope of related government orders and restrictions, impact on overall demand, impact on our customers' businesses and workforce levels, disruptions of our business and operations, including the impact on our employees, limitations on, or closures of, our facilities, or the business and operations of our customers or suppliers. Our estimates and statements regarding the impact of COVID-19 are made in good faith to provide insight to our current and future operating and financial environment and any of these may materially change due to factors outside our control. For more information on risks associated with the COVID-19 pandemic, please see Itron's updated risk in Part II, Item 1A: Risk Factors of our latest 10-Q filing with the SEC.

ITRON AT-A-GLANCE

Itron enables utilities and cities to safely, securely and reliably deliver critical infrastructure services that measure, manage, and provide data analytics that enable them to responsibly and efficiently manage resources in the communities they serve. With over 40 years of experience and over...



8,000
CUSTOMERS IN
100 COUNTRIES



>200M
COMMUNICATING
ENDPOINTS



>74M
ENDPOINTS UNDER
MANAGEMENT



~3M
DISTRIBUTED
INTELLIGENCE ENABLED
ENDPOINTS

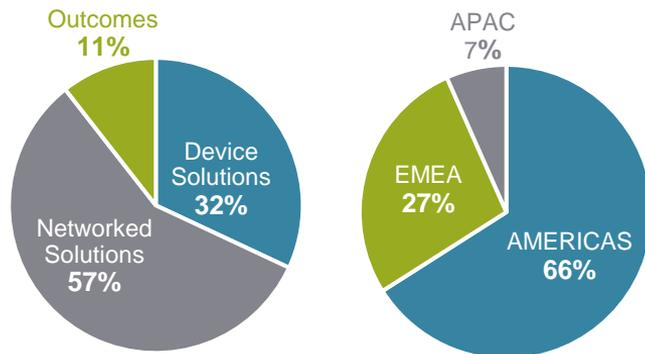


~6,200
PEOPLE
ACROSS THE GLOBE



+250
PARTNERS IN A BROAD
ECOSYSTEM OF SOLUTIONS

**\$2.2B 2020 REVENUE
& REVENUE MIX OF:**



WITH A Q4'2020:
\$3.3B BACKLOG
>\$1.2B 12-MONTH BACKLOG

Note: Revenue reported year ending December 31, 2020 and Backlog and People as of December 31, 2020, all other data points rounded or estimated based on internal Itron source material at the time of publication

OUR VISION AND PURPOSE

Itron is dedicated to **creating a more resourceful world**

- » We believe that the **way we manage energy and water will define this century.**
- » **Our long-term view** is that by delivering products and services that support **sustainability, diversity and accountability of our key stakeholders** we can create a more resourceful world.
- » To achieve this, Itron leverages **a holistic approach that integrates** our strategic, operational and risk management efforts with **our ESG initiatives.**



ITRON'S FOUR ESG PILLARS

Our approach to a more resourceful world



Energy Mix – Manufacturing Sites



Nuclear
49.7%



Renewable
31.7%



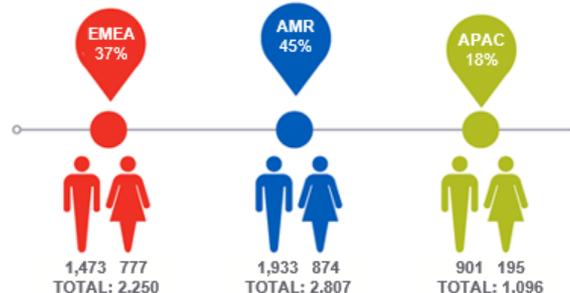
Non-Renewable
18.6%

Certified Locations:

ISO 9001 (20); ISO 14001 (15);
ISO 27001 (13); OHSAS 18001 (6)



Full Time Employee Demographics – By Region



Itron Board of Directors Key Statistics



Director Diversity



8 out of 9 Directors
or Nominees are
Independent



Transforming Our Industry: Integrating Renewables

One customer found it **87% less expensive** and **29 weeks faster** to connect distributed generation to the grid with Itron solutions.

Investing in our Communities & Education

Itron-sponsored programs reached over **1.5 million** students and **27.3 million** consumers in 2019.

For more please visit: www.itron.com/ESG

Industry and Itron Overview

STRONG INDUSTRY GROWTH POTENTIAL

TAM of ~\$25B Annually Growing at 9% CAGR, With ~18% CAGR in Outcomes

2020 Total Available Market (B\$) / CAGR (2020-2023)	World Wide		AMERICAS		EMEA		APAC	
	TAM	CAGR	TAM	CAGR	TAM	CAGR	TAM	CAGR
Outcomes	7.0	18.0%	2.8	16.9%	2.4	16.0%	1.8	21.9%
Networked Solutions	8.6	8.4%	3.0	8.7%	1.8	8.5%	3.8	8.0%
Device Solutions	9.2	1.7%	0.8	4.5%	4.0	1.0%	4.5	1.7%
Total	24.8	9.0%	6.6	11.9%	8.2	7.5%	10.1	8.2%

NORTH AMERICA

~64% penetration of ~400M smart endpoints

GLOBAL

~28% penetration of ~3.7B endpoints smart

Source: Management Estimates using data from Omdia 2020, Northeast Group Smart Streetlighting and Smart Cities Market Forecast 2020, Guidehouse Distribution Automation Q4 2020. Penetration rates using IHS Research - Global Electricity, Gas and Water Metering Reports, 2020 Editions (includes China); Northeast Group Smart Streetlighting and Smart Cities Market Forecast 2020-2029

DYNAMIC FORCES IMPACTING OUR INDUSTRY

Mega-trends highlight the critical role Itron technology plays in utility ecosystem

INFRASTRUCTURE



- » Managing Demand Needs
- » Aging Infrastructure
- » Grid Security
- » Clean Energy & Storage
- » Electric Vehicles

ENVIRONMENTAL



- » Remote Pandemic Mgmt
- » Extreme Weather
- » Resource Sustainability
- » Safety and Prevention
- » Monitoring and Management

SOCIAL

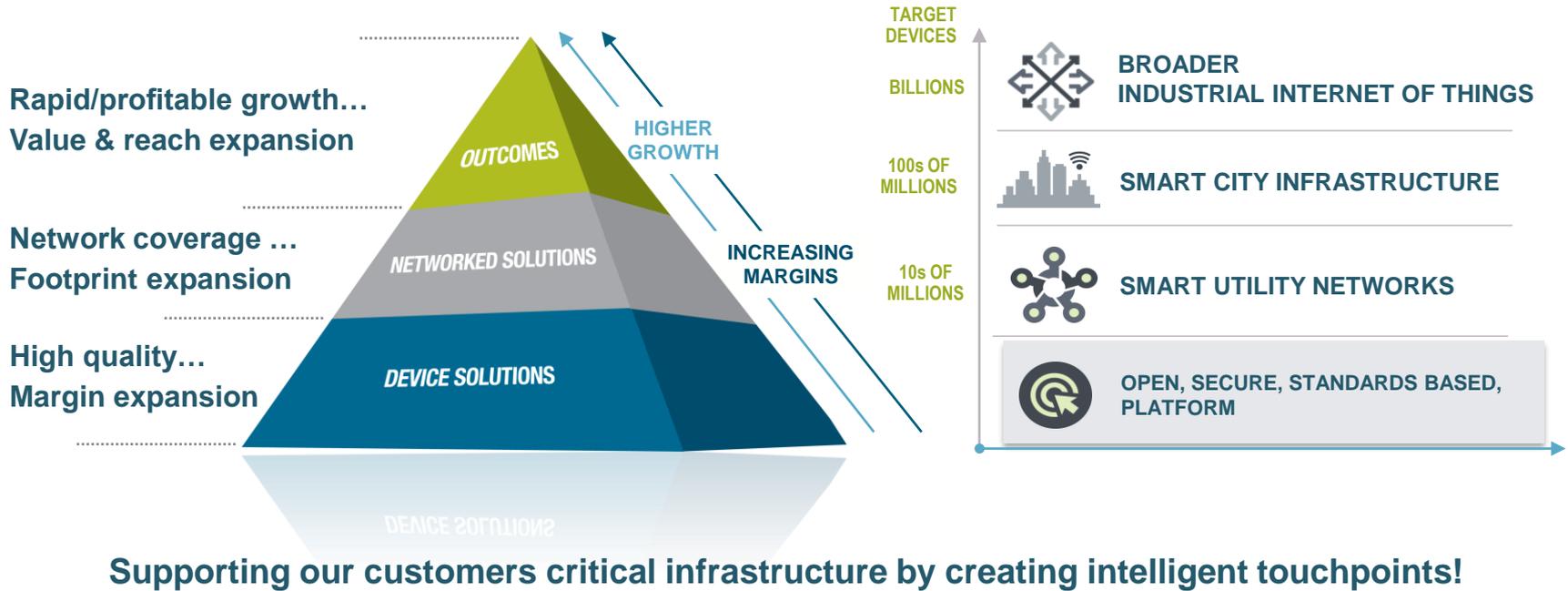


- » Supporting Critical Need Customers
- » Enhanced Customer Experience
- » Global Urbanization
- » Internet of Things
- » Generating “Big Data”

Itron is focused on enabling customer success in a changing world!

OUR MODEL SUPPORTS CRITICAL INFRASTRUCTURE

Solutions via open standards-based technology that transcend multiple verticals



OUR STRATEGIC PRIORITIES

1 EXPANDING OUR FOOTPRINT

Increasing coverage

2 EXPANDING OUR VALUE

Empowering our customers

3 EXPANDING OUR REACH

Enabling as many sensors & devices on our platform as possible

CREATING THE OPPORTUNITY TO ENHANCE VALUE WITH.....



OUR INVESTMENT DRIVES INDUSTRY INNOVATION

Global Design & Research Centers



Investment Strategy

- » Intense Focus on Utilities and Municipalities
- » Solution Centric Prioritization
- » Global Technology Platforms to Maximize Re-use Potential
- » Global Centers of Excellence

Itron Segment R&D Investment As a % of Segment Revenue

	2020	Target
Company R&D as a % of Total Revenue	9%	8-9%
Outcomes	11%	↑
Networked Solutions	8%	↔
Device Solutions	4%	↓

Innovation Priorities

- » Invest in solutions that increase customer outcomes success
- » Grow Distributed Intelligence solutions and Itron apps store
- » Invest in next generation network & robust partner ecosystem
- » Global device sensor and control platform

OUR TECHNOLOGY IS INDUSTRY LEADING



PROVEN SOLUTIONS

Proven solutions drive shorter development, integration and deployment times



CUSTOMER ENGAGEMENT

Technology is not enough—deep engagement with customers is critical to ensure benefits are realized



MULTI-APPLICATION PLATFORM

Deploying a unified platform decreases systems integration complexities and accelerates benefit capture



INTEROPERABILITY

Standards based technologies decreases deployment complexity and ensures timely benefit delivery

OUR OPEN PLATFORM IS A DIFFERENTIATOR

Over +250 Partners and counting across Energy, Water, and Smart City Infrastructure



**DISTRIBUTED ENERGY
MANAGEMENT**



**GRID
MANAGEMENT**



**METERING
SOLUTIONS**



**SMART
CITIES**



**UTILITY IOT
SOLUTIONS**



**NETWORKING &
COMMUNICATIONS**



**DISTRIBUTED INTELLIGENCE
APPLICATIONS**

OUR SOLUTIONS MANAGE CRITICAL INFRASTRUCTURE

 Itron connects critical infrastructure and enables outcomes via our platform



ITRON ENABLES OUTCOMES:

- » Smart Energy
- » Smart Water
- » Smart Streetlighting
- » Distribution Automation
- » Renewable Energy Management
- » Electric Vehicle Management
- » Smart City Solutions



Multi-application, Multi-tenant Platform

Device Agnostic for Energy, Water & Smart City Management with Data Analytics on One Network



Advanced Metering Infrastructure

Two-way, Transport Agnostic, Communications



Distributed Intelligence

Delivering Intelligence and Applications to the Edge of the Network for Demand Response & More



Electric Vehicle Management

Enabling Insight and Control over EV proliferation



Distribution Automation and Demand Response

Advanced Grid Control & Distributed Energy Management with Demand Response Capabilities



Streetlight Canopy

Intelligent Lighting & Increased Network Coverage & Resiliency



Smart City Solutions

Connecting Communities to Outcomes such as Safety, Traffic, Smart Parking, Intelligent Transport, Kiosks, and Environmental Sensors



Services & Analytics

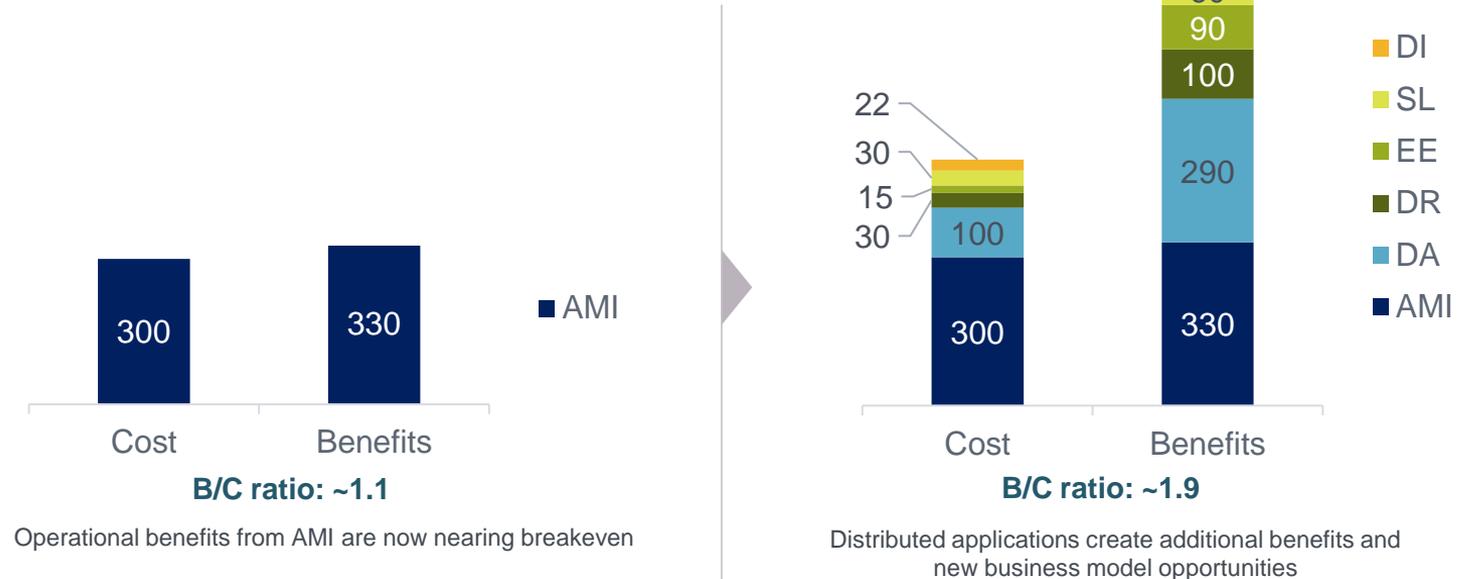
Solving Problems & Delivering Valuable Outcomes

ITRON EXPANDS BUSINESS CASE VALUE

Our intelligent platform enables increased benefits by adding applications

AVERAGE NORTH AMERICAN SMART GRID BUSINESS CASE*

\$/customer, electric only, PV over 20 years



Note: Based on publicly available U.S. smart grid business/rate cases and includes Itron internal estimates.

AMI: Advanced Metering Infrastructure; DA: Distribution Automation; CVR: Conservation Voltage Reduction; DR: Demand Response; EE: Energy Efficiency (Portal); SL: Streetlights; DI: Distributed Intelligence Apps

Business Performance

STATE OF THE BUSINESS

Q4'20 and FY'2020 performance impacted by COVID-19

- » Revenue and Gross Margin impacted by COVID-19 with reduced demand and factory under utilization
- » Sufficient liquidity to fund operations with cash and equivalents of \$207 million
- » Record backlog of \$3.3B and strong 12-month backlog of \$1.2B as of Dec 31, 2020

Outlook improving with the speed of recovery mixed by geography

- » Our focus is the health and safety of our employees while supporting our customers recovery
- » Customers working toward recovery is mixed by region; Slowly improving toward future growth
- » Provided 2021 guidance for return to growth and improved profitability

Delivering on our long-term strategy

- » Announced 2020 restructuring plan to drive additional \$25M in cost savings
- » Leadership in smart energy and smart city solutions with a Multi-tenancy, Distributed Intelligence Platform
- » Continued investment in technology for automation; resilience & reliability; and higher margin outcomes

BOOKINGS AND BACKLOG

- » Book to bill of 1.9 in Q4 and 1.02 for FY'20
- » Record Q4'20 bookings of \$973M
- » Record backlog of \$3.3B
- » 12-month backlog of \$1.2B
- » Timing of new deployments affected by COVID-19

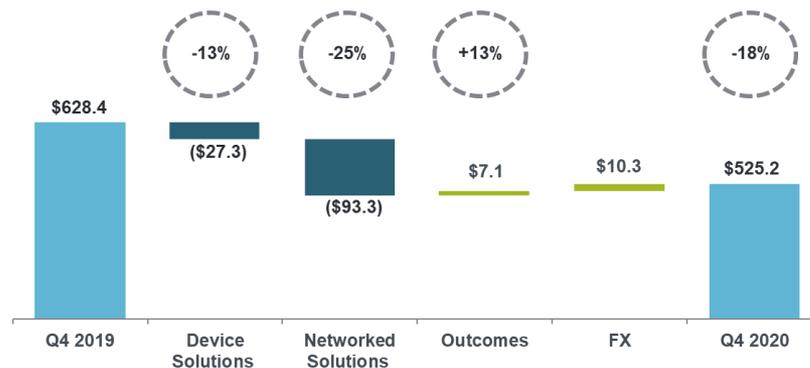


Chart in Billions, actual currency rates.

Q4'20 SUMMARY

- » COVID-19 related constraints impact revenue and margin; Spend controls and elimination of variable compensation help offset
- » Revenue of \$525M down 16% from 2019
- » Gross margin of 28.3%
- » Adj EBITDA of \$56M / 11% of revenue
- » Non-GAAP EPS of \$0.65
- » Free cash flow of \$29M

Revenue Year-Over-Year Bridge



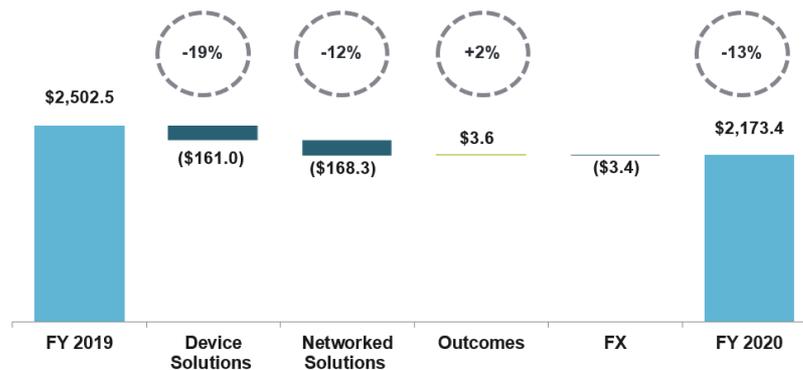
Non-GAAP EPS Year-Over-Year Bridge



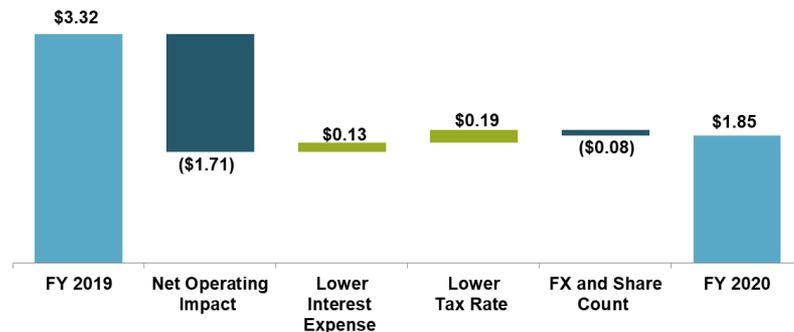
FULL YEAR 2020 SUMMARY

- » 2020 results impact by the COVID-19 pandemic
- » Revenue of \$2.2B down 13% from 2019
- » Gross margin of 27.7%
- » Adj EBITDA of \$178M / 8% of revenue
- » Non-GAAP EPS of \$1.85
- » Free cash flow of \$63M

Revenue Year-Over-Year Bridge

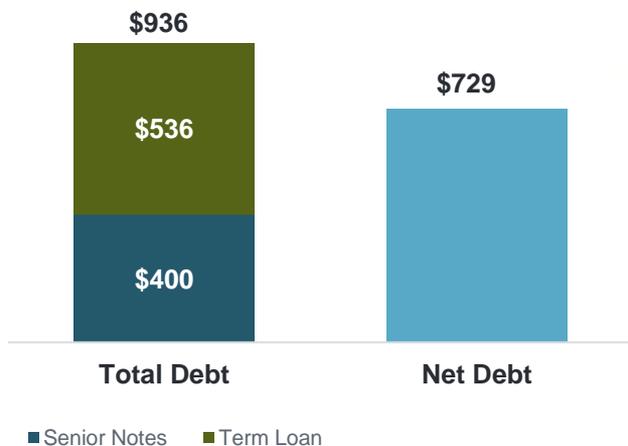


Non-GAAP EPS Year-Over-Year Bridge



DEBT AND LIQUIDITY OVERVIEW

US\$M



Leverage Snapshot	Q4'20
Net Leverage – Street	4.1x
Net Leverage – Bank ²	3.6x

Delevering Actions in Q4'20

- » Repaid \$400M revolving credit facility
- » Prepaid \$14M on Term Loan
- » No debt payments due in 1H'21

Debt

- » Net leverage-street 4.1x at end of Q4'20
- » Term Loan due 2024 and Senior Notes 2026
- » Blended interest rate of 3.0%

Free Cash Flow and Liquidity

- » Free cash flow of \$29M
- » \$435M available revolving credit facility
- » Cash and equivalents was \$207M

1. Total debt as of end of Q4'20. Excludes unamortized prepaid debt fees.

2. Bank Covenant for Q4'20 is 4.75x Net Leverage using the "Bank" calculation

Financial Perspectives

ITRON INVESTMENT THESIS

POSITIONED TO NAVIGATE NEAR-TERM



Support a Resilient Industry
with Critical Utility and Smart
City Infrastructure



Only U.S.-based Industrial
IoT “pureplay”
in our industry



Sufficient Liquidity
and no Debt payments
due in 1H 2021

BUILT FOR THE LONG-TERM



Improving Operating Leverage
and Earnings Power



Positioned for
Free Cash Flow Growth



ESG Principles
Embedded in DNA

FOCUSED ON GROWTH AND MARGIN EXPANSION



**GROWTH IN OUR HIGHER
MARGIN SOLUTIONS**



**OPERATIONAL LEVERAGE
WITH MOVE TO AN ASSET
LIGHT MODEL**



**CASH FLOW
OPTIMIZATION**

FINANCIAL OPERATING PERSPECTIVE

Multiple levers driving long-term financial benefits and increased earnings power

REVENUE

- Higher value solutions driving growth
- Continue rotation to higher margin segments
- New product introductions in SaaS solutions

Opportunity



SUPPLY CHAIN

- Product rationalization and value engineering
- Manage component & commodity cycles
- Continue shifting towards more strategic outsourcing



OPERATIONAL LEVERAGE

- Rationalization of manufacturing and service delivery
- Optimizing our product portfolio
- Growth of recurring revenue in the Outcomes business



OPEX EFFICIENCIES

- Unified global sales organization
- Disciplined discretionary spending
- Restructuring benefits & integration synergies



OPERATING MARGIN

Initiatives will continue to drive significant margin improvement

CAPITAL ALLOCATION STRATEGY

Focus on de-leveraging and investment in our business



DE-LEVER

- ✓ Repaid full revolver
- ✓ Anticipate sufficient cash flow for de-levering

ORGANIC INVESTMENT

- ✓ Continuing shift to asset-light business model
- ✓ R&D fully expensed and reflected in existing margin profile

CAPITAL ALLOCATION

- ✓ Potential, opportunistic M&A possible though nothing currently planned

ITRON OPERATING MODEL

Rotation to higher margin contribution and increased free cash flow

	Target Operating Model
Revenue	3 to 5% CAGR
Gross Margin	33 to 35%
OPEX	22 to 23% of Revenue
Adjusted EBITDA	13 to 15% of Revenue
Free Cash Flow	6 to 8% of Revenue
Net Debt to Adj. EBITDA Ratio	3x to 2x

Other key estimate assumptions: No M&A or additional restructuring projects not previously announced.

2021 GUIDANCE

- » Revenue of \$2.23 – \$2.33 billion
 - » *~5% growth at the midpoint*
- » Non-GAAP diluted EPS of \$2.15 – \$2.55
 - » *~27% growth at the midpoint*

Assumptions:

- Euro/USD of \$1.20
- Effective non-GAAP tax rate of ~30%
- Non-GAAP interest expense of ~\$36 million
- Average diluted shares outstanding of ~41 million

Appendix

CONSOLIDATED GAAP RESULTS: Q4'20

<i>\$ in Millions (except per share amounts)</i>	Q4 2020	Q4 2019	Change
Revenue	\$525.2	\$628.4	-16%
<i>Change in constant currency</i>			-18%
Gross margin	28.3%	28.2%	+10 bps
Operating income	\$32.6	\$28.9	+13%
Net income attributable to Itron, Inc.	\$21.5	\$14.6	+47%
Earnings per share - diluted	\$0.53	\$0.36	+47%

- » Revenue down primarily due to the timing of customer projects and continuing operating constraints resulting from COVID-19
- » GM of 28.3% was up 10 bps due to mix of higher-margin software license sales, partially offset by increased inventory reserves
- » GAAP operating income and net income increased due to lower discretionary spending and variable compensation

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.

CONSOLIDATED GAAP RESULTS: FY'20

<i>\$ in Millions (except per share amounts)</i>	FY 2020	FY 2019	Change
Revenue	\$2,173.4	\$2,502.5	-13%
<i>Growth in constant currency</i>			<i>-13%</i>
Gross margin	27.7%	30.1%	-240 bps
Operating income	(\$10.4)	\$132.7	NM
Net income attributable to Itron, Inc.	(\$58.0)	\$49.0	NM
Earnings per share - diluted	(\$1.44)	\$1.23	NM

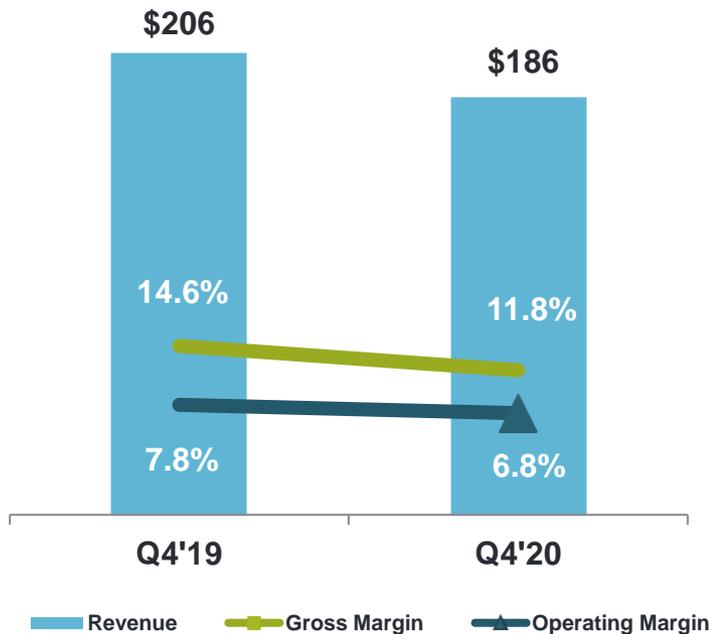
- » Revenue down due to customer demand and operating constraints resulting from COVID-19
- » Gross margin of 27.7% decreased 240 bps primarily due to COVID-19 induced operating inefficiencies and increased inventory reserves
- » GAAP operating income decreased due to lower gross profit, a \$60M loss on sale of business related to the divestiture of Itron's manufacturing and sales operations in Latin America, and \$37M restructuring expense was partially offset by lower variable compensation and other opex controls

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.

DEVICE SOLUTIONS SEGMENT: Q4'20

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue down 10% and 13% in constant currency

- » Decrease primarily due to reduced customer demand in EMEA
- » COVID-19 related delays
- » Latin America transaction

Gross margin down 280 bps

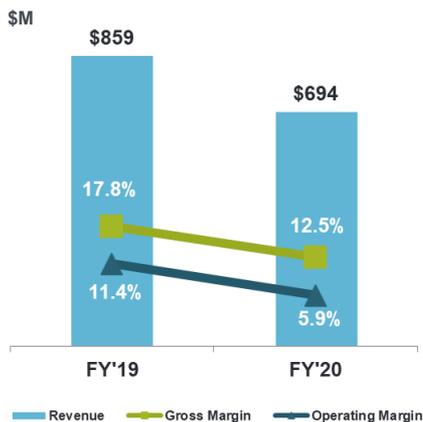
- » Due to COVID-19 induced operational inefficiencies
- » Increased inventory reserves and special warranty

Operating margin down 100 bps

- » Fall through of lower gross margin
- » Partially offset by lower operating expenses

DEVICE SOLUTIONS SEGMENT

Improving our profitability



Device Target Model

Revenue Growth
-5 to -3% CAGR

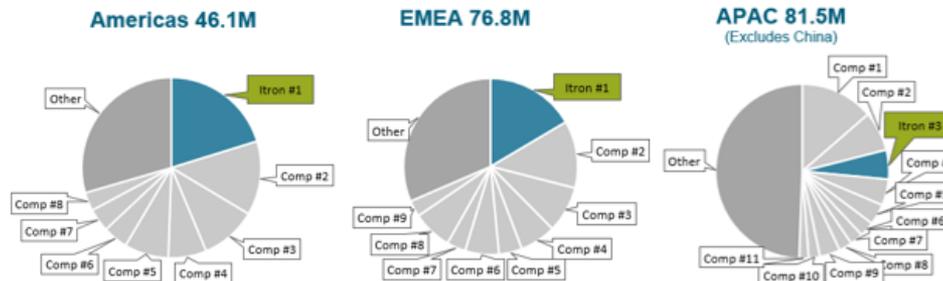
Gross Margin
20 to 25%

Full Year 2020 Performance

- » Revenue down 19% as reported and in constant currency
 - Decrease primarily due to COVID-19
 - Latin America transaction
- » Gross margin down 530 bps
 - COVID-19 induced operating inefficiencies & product mix
 - Increased inventory reserves
- » Operating margin down 550 bps
 - Fall through of lower gross profit

Market Position

Standard Meter Shipments Endpoints Electric, Gas, Water 2020*

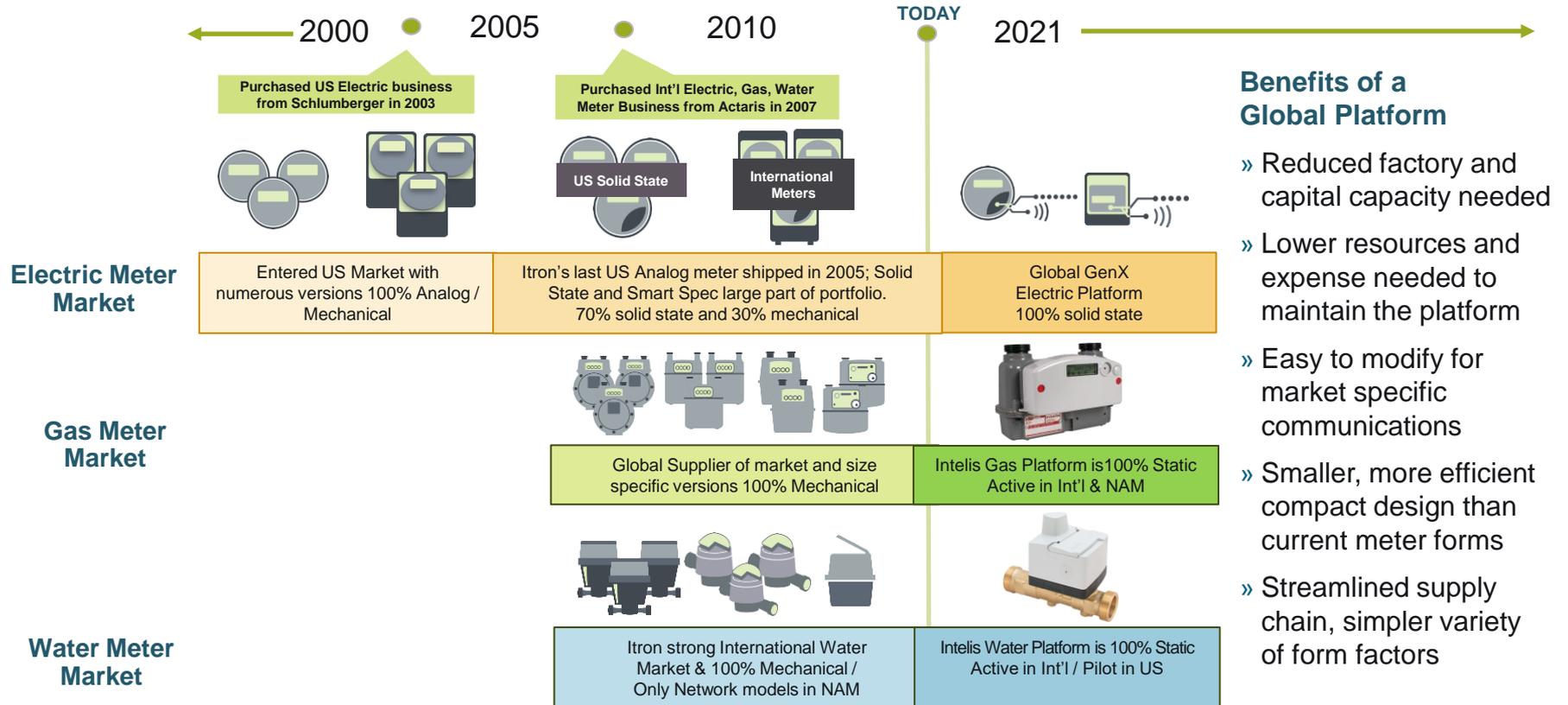


*Source: In year 2020 reported in Omdia Research - Global Electricity, Gas and Water Metering Reports, 2020 Editions (Excludes China)

Segment Strategic & Product Focus

- » Optimize product portfolio to drive improved margins
- » Opportunistically leverage products across geographies
- » Selectively target markets for high-margin, value-creation products

EVOLUTION OF OUR GLOBAL DEVICE PLATFORM



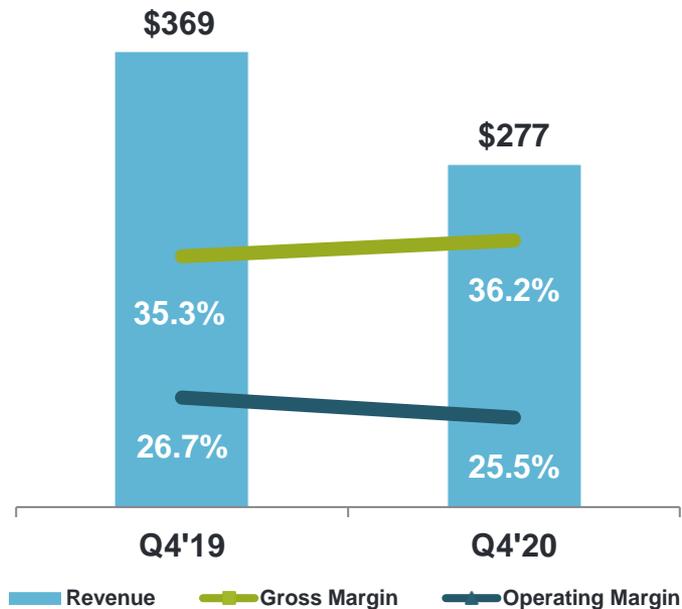
Benefits of a Global Platform

- » Reduced factory and capital capacity needed
- » Lower resources and expense needed to maintain the platform
- » Easy to modify for market specific communications
- » Smaller, more efficient compact design than current meter forms
- » Streamlined supply chain, simpler variety of form factors

NETWORKED SOLUTIONS SEGMENT: Q4'20

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue down 25% as reported and in constant currency

- » Timing of customer deployments
- » COVID-19 related delays
- » Projected low point for Networked Solutions

Gross margin up 90 bps

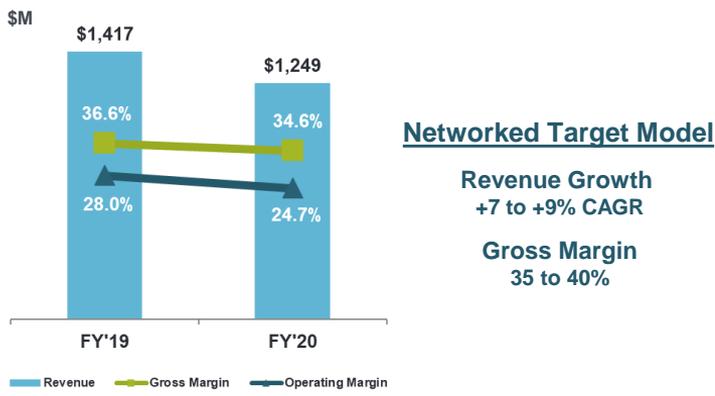
- » Improved efficiencies in implementation and maintenance services

Operating margin down 120 bps

- » Reduced operating leverage

NETWORKED SOLUTIONS SEGMENT

Expanding our footprint



Networked Target Model

Revenue Growth
+7 to +9% CAGR

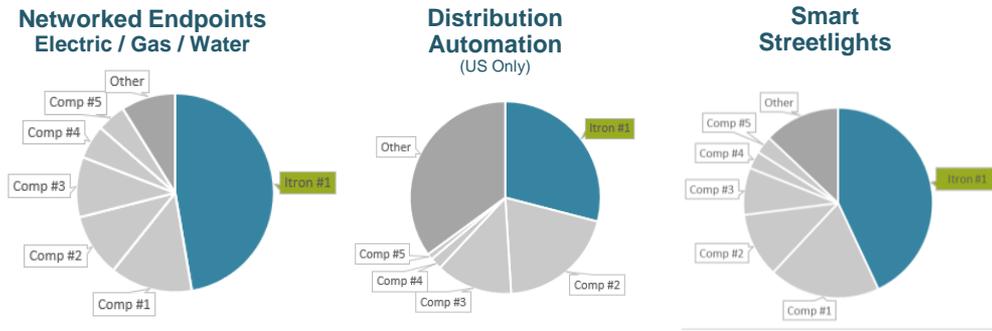
Gross Margin
35 to 40%

Full Year 2020 Performance

- » Revenue down 12% as reported and in constant currency
 - Timing of customer deployments
 - Decrease primarily due to COVID-19 related project delays
- » Gross margin down 200 bps
 - Primarily due to COVID-19 induced operating inefficiencies
 - Unfavorable product mix
- » Operating margin down 330 bps
 - Fall through of lower gross profit
 - Increased investment in product development

Market Position

Networked Solutions Cumulative Share Americas 2020*



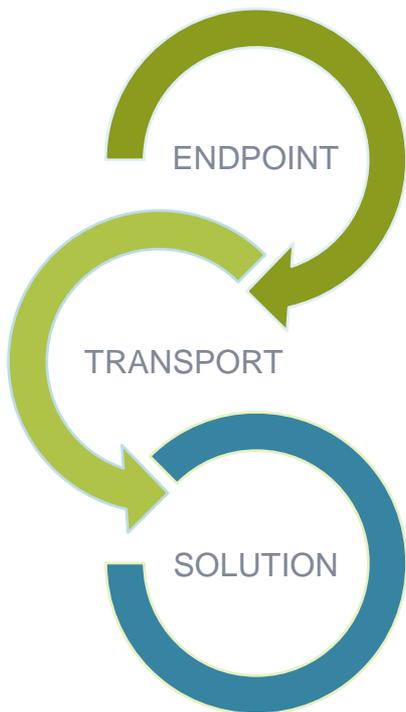
Segment Strategic & Product Focus

- » Grow total share of connected communicating endpoints
- » Expand solutions across utilities and smart cities
- » Invest in next generation network & robust partner ecosystem

*Source: Scott Report (Networked Endpoints) - AMR-AMI Deployments in North America – Q2 2020
 Northeast Group (DA) - US Smart Grid-Market Forecast 2019-2028
 Northeast Group (Smart SL) - Global Smart Street Lighting & Smart Cities-Market Forecast 2020-2029

OUR SMART PLATFORM PROPOSITION

An intelligent Industrial IoT platform that is solution, device and transport agnostic



BEYOND SMART. **ACTIVE.**

- » Strong foundation with backwards compatibility
- » Multi-endpoint networking + distributed intelligence
- » One network with multi-solution capabilities
- » Highly-integrated, transport-agnostic platform
- » High-resolution data management; enabling near real-time decision making; integrating an ecosystem of over 250 partners

PROVEN AT
SCALE



OPEN
ECOSYSTEM



RESILIENT AND
SECURE



FUTURE PROOF
TECHNOLOGY



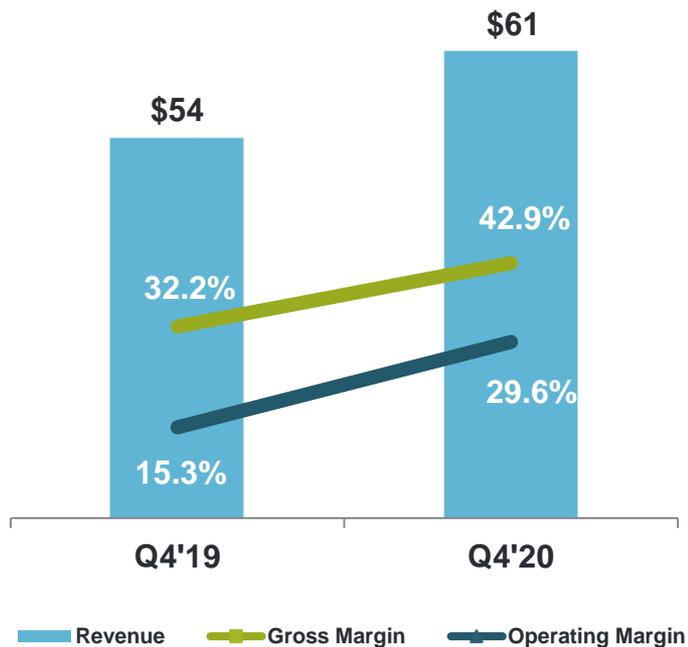
A TRUSTED
PARTNER



OUTCOMES SEGMENT: Q4'20

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue up 14% and 13% in constant currency

- » Increase in software license sales
- » One time customer adjustment recorded in prior year

Gross margin up 10.7 pts

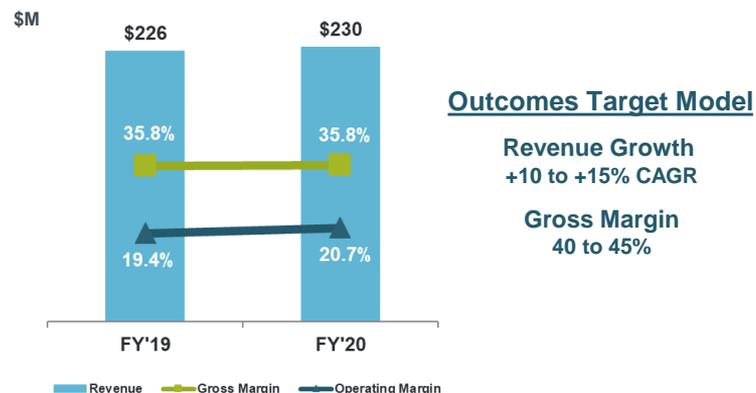
- » Increase in higher-margin software license sales
- » One time customer adjustment recorded in prior year

Operating margin up 14.3 pts

- » Fall through from higher gross profit
- » Reduced discretionary spending

OUTCOMES SEGMENT

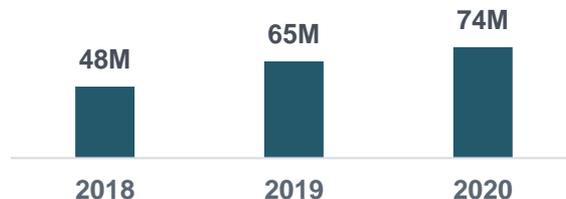
Expanding our value



Full Year 2020 Performance

- » **Revenue +2% as reported and in constant currency**
 - Increase in software license and services
 - One time customer adjustment recorded in prior year
- » **Gross margin flat**
 - Increase in higher margin software license sales
 - One time customer adjustment recorded in prior year
 - Offset by higher costs
- » **Operating margin +130 bps**
 - Reduced discretionary spending

Itron Endpoints Under Management



- » **>74M connected endpoints** under management
- » **~3M distributed intelligence enabled endpoints** deployed

Segment Strategic & Product Focus

- » Leverage networked solutions footprint
- » Invest in innovative solutions with distributed intelligence
- » Provide end-to-end managed services leveraging portfolio and partners

WHAT IS AN OUTCOME?

Outcomes are actions based on insights from data management and analysis



Customer “consumer” engagement

EXAMPLE: Engage consumers to reduce load by adjusting a smart thermostat



Operations management

EXAMPLE: Analyze data to detect and locate a leak



Information management

EXAMPLE: Organize AMI data to provide consumer billing



Rich set of data from the network

EXAMPLE: Meter consumption data set



Capitalizing on connected endpoint data

NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements presented in accordance with GAAP, we use certain non-GAAP financial measures, including non-GAAP operating expense, non-GAAP operating income, non-GAAP net income, non-GAAP diluted EPS, adjusted EBITDA, adjusted EBITDA margin, constant currency and free cash flow. We provide these non-GAAP financial measures because we believe they provide greater transparency and represent supplemental information used by management in its financial and operational decision making. We exclude certain costs in our non-GAAP financial measures as we believe the net result is a measure of our core business. The company believes these measures facilitate operating performance comparisons from period to period by eliminating potential differences caused by the existence and timing of certain expense items that would not otherwise be apparent on a GAAP basis. Non-GAAP performance measures should be considered in addition to, and not as a substitute for, results prepared in accordance with GAAP. Our non-GAAP financial measures may be different from those reported by other companies. We strongly encourage investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. A more detailed discussion of why we use non-GAAP financial measures, the limitations of using such measures, and reconciliations between non-GAAP and the nearest GAAP financial measures are included in the quarterly earnings press release.

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	\$ 116,231	\$ 148,575	\$ 612,562	\$ 619,636
Amortization of intangible assets	(11,223)	(16,101)	(44,711)	(64,286)
Restructuring	4,518	1,407	(37,013)	(6,278)
Loss on sale of business	(2,522)	—	(59,817)	—
Corporate transition cost	—	(907)	33	(2,520)
Acquisition and integration related expense	(1,764)	(2,005)	(1,026)	(26,598)
Non-GAAP operating expenses	\$ 105,240	\$ 130,969	\$ 470,028	\$ 519,954
NON-GAAP OPERATING INCOME				
GAAP operating income (loss)	\$ 32,602	\$ 28,863	\$ (10,395)	\$ 132,683
Amortization of intangible assets	11,223	16,101	44,711	64,286
Restructuring	(4,518)	(1,407)	37,013	6,278
Loss on sale of business	2,522	—	59,817	—
Corporate transition cost	—	907	(33)	2,520
Acquisition and integration related expense	1,764	2,005	1,026	26,598
Non-GAAP operating income	\$ 43,593	\$ 46,469	\$ 132,139	\$ 232,365

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income (loss) attributable to Itron, Inc.	\$ 21,520	\$ 14,620	\$ (57,955)	\$ 49,006
Amortization of intangible assets	11,223	16,101	44,711	64,286
Amortization of debt placement fees	1,056	1,900	3,954	5,455
Restructuring	(4,518)	(1,407)	37,013	6,278
Loss on sale of business	2,522	—	59,817	—
Corporate transition cost	—	907	(33)	2,520
Acquisition and integration related expense	1,764	2,005	1,026	26,598
Income tax effect of non-GAAP adjustments	(7,243)	(5,217)	(13,280)	(21,348)
Non-GAAP net income attributable to Itron, Inc.	\$ 26,324	\$ 28,909	\$ 75,253	\$ 132,795
Non-GAAP diluted EPS	\$ 0.65	\$ 0.72	\$ 1.85	\$ 3.32
Weighted average common shares outstanding - Diluted	40,762	40,267	40,571	39,980
ADJUSTED EBITDA				
GAAP net income (loss) attributable to Itron, Inc.	\$ 21,520	\$ 14,620	\$ (57,955)	\$ 49,006
Interest income	(833)	(470)	(2,998)	(1,849)
Interest expense	10,230	12,554	44,001	52,453
Income tax (benefit) provision	(128)	(75)	238	20,617
Depreciation and amortization	24,984	28,709	97,290	114,400
Restructuring	(4,518)	(1,407)	37,013	6,278
Loss on sale of business	2,522	—	59,817	—
Corporate transition cost	—	907	(33)	2,520
Acquisition and integration related expense	1,764	2,005	1,026	26,598
Adjusted EBITDA	\$ 55,541	\$ 56,843	\$ 178,399	\$ 270,023
FREE CASH FLOW				
Net cash provided by operating activities	\$ 38,943	\$ 44,740	\$ 109,514	\$ 172,840
Acquisitions of property, plant, and equipment	(9,911)	(16,179)	(46,208)	(60,749)
Free Cash Flow	\$ 29,032	\$ 28,561	\$ 63,306	\$ 112,091

CONSOLIDATED NON-GAAP & CASH RESULTS – Q4'20

<i>\$ in Millions (except per share amounts)</i>	Q4 2020	Q4 2019	Change
Non-GAAP operating income	\$43.6	\$46.5	-6%
Non-GAAP operating margin	8.3%	7.4%	+90 bps
Adjusted EBITDA	\$55.5	\$56.8	-2%
Adjusted EBITDA margin	10.6%	9.0%	+160 bps
Non-GAAP net income attributable to Itron, Inc.	\$26.3	\$28.9	-9%
Non-GAAP earnings per share - diluted	\$0.65	\$0.72	-10%
Net cash provided by operating activities	\$38.9	\$44.7	-13%
Free cash flow	\$29.0	\$28.6	+2%

- » Non-GAAP op inc and adj EBITDA decreased due to lower gross profit, partially offset by lower discretionary spending and variable compensation
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income
- » Free cash flow increased with reduced capital expenditures offsetting lower operating cash flow

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.

CONSOLIDATED NON-GAAP & CASH RESULTS: FY'20

<i>\$ in Millions (except per share amounts)</i>	FY 2020	FY 2019	Change
Non-GAAP operating income	\$132.1	\$232.4	-43%
Non-GAAP operating margin	6.1%	9.3%	-320 bps
Adjusted EBITDA	\$178.4	\$270.0	-34%
Adjusted EBITDA margin	8.2%	10.8%	-260 bps
Non-GAAP net income attributable to Itron, Inc.	\$75.3	\$132.8	-43%
Non-GAAP earnings per share - diluted	\$1.85	\$3.32	-44%
Net cash provided by operating activities	\$109.5	\$172.8	-37%
Free cash flow	\$63.3	\$112.1	-44%

- » Non-GAAP operating income and adj EBITDA decreased due to lower gross profit resulting from COVID-19 impact, partially offset by lower variable compensation and other opex controls
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income
- » Free cash flow of \$63M decreased from the prior year due to lower profitability, partially offset by improved working capital

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.

ITRON ACRONYM GLOSSARY

AMI = Advanced Metering Infrastructure

AMM = Advanced Metering Manager, SSNI Product Name

AMR = Automated Meter Reading

ASP = Average Selling Price

AP = Access Point

BOM = Bill of Material(s)

BYOD = Bring Your Own Device

BYOT = Bring Your Own Thermostat

C & I = Commercial and Industrial

CAGR = Compounded Annual Growth Rate

CCE = Commercial and Customer Enablement

CDMA = Code Division Multiple Access

CGR = Connected Grid Router

CM = Contract Manufacturer / Manufacturing

DA = Distribution Automation

DEM = Distributed Energy Management

DER = Distributed Energy Resources

DERMs = Distributed Energy Resource Management

DI = Distributed Intelligence

DNO = Device Solutions, Networked Solutions, Outcomes

EDI = Electronic Data Interchange

ERP = Enterprise Resource Planning

ERT = Encoder Receiver Transmitter

FAN = Field Area Network

GENX = Generation 2, 3, 4, and 5 of the Silver Spring Networks platform

GDPR = General Data Protection Regulation

IaaS = Infrastructure as a Service

IEC = International Electrotechnical Commission

IMP = Itron Mobile Platform

INS = Itron Networks Segment

IOU = Investor Owned Utility

IoT = Internet of Things

LoRa = "LONG RANGE" (Marketing Alliance)

LPWAN = Low Power Wide Area Network

LTE = Long Term Evolution

M2C = Meter to Cash

M2M = Machine to Machine

MDM = Meter Data Management

MV = Multi Vender

NaaS = Network as a Service

NB-IoT = Narrow Band Internet of Things

NEMA = National Electrical Manufacturers Association

NIC = Network Interface Card

NMS = Network Management System

OaaS = Outcome as a Service

OCOGS = Operating Cost of Goods Sold

OFDM = Orthogonal Frequency Division Multiplexing

O&M = Operation and Maintenance

OWR = OpenWay Riva

PaaS = Platform as a Service

PBU = Product Business Unit

PCBA = Printed Circuit Board Assembly

PLC = Power Line Carrier

RF = Radio Frequency

RPMA = Random Phase Multiple Access

S & OP = Sales and Operations Planning

S & OE = Sales and Operations Execution

SaaS = Software as a Service

SLV = Streetlight Vision

SS = Spread Spectrum

TAM = Total Available Market

TDMA = Time Division Multiple Access

TCO = Total Cost of Ownership

TMC = Total Manufacturing Cost

UIQ = Utility IQ, Product Name

Wi-Fi = Wireless Fidelity

WW = World Wide

VAVE = Value Analysis and Value Engineering

VVO = Voltage Var Optimization

Thank You



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